## State Office of Administrative Hearings



#### Cathleen Parsley Chief Administrative Law Judge

TO:	OFFICE OF CHIEF CLERK TEXAS COMMISSION ON ENVIRONMENT P.O. BOX 13087 AUSTIN, TX 78711-3087	NTAL QUALITY	
RE:	SOAH Docket No. 582-09-0660; TCEQ Docket of North San Saba Water Supply Corporate Certificate Of Convenience And Necessity No.	ion To Change Its W	ater Rates Under
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## State Office of Administrative Hearings



#### Cathleen Parsley Chief Administrative Law Judge

March 25, 2010

Les Trobman, General Counsel Texas Commission on Environmental Quality P.O. Box 13087 Austin Texas 78711-3087

Re:

SOAH Docket No. 582-09-0660; TCEO Docket No. 2008-1481-UCR; In Re: Application of North San Saba Water Supply Corporation To Change Its Water Rates Under Certificate Of Convenience And Necessity No. 11227 In San Saba County

Dear Mr. Trobman:

The above-referenced matter will be considered by the Texas Commission on Environmental Quality on a date and time to be determined by the Chief Clerk's Office in Room 201S of Building E, 12118 N. Interstate 35, Austin, Texas.

Enclosed are copies of the Proposal for Decision and Order that have been recommended to the Commission for approval. Any party may file exceptions or briefs by filing the documents with the Chief Clerk of the Texas Commission on Environmental Quality no later than April 14, 2010. Any replies to exceptions or briefs must be filed in the same manner no later than April 26, 2010.

This matter has been designated TCEQ Docket No. 2008-1481-UCR; SOAH Docket No. 582-09-0660. All documents to be filed must clearly reference these assigned docket numbers. All exceptions, briefs and replies along with certification of service to the above parties shall be filed with the Chief Clerk the TCEO electronically http://www10.tceq.state.tx.us/epic/efilings/ or by filing an original and seven copies with the Chief Clerk of the TCEQ. Failure to provide copies may be grounds for withholding consideration of the pleadings.

Sincerely,

Rebecca S. Smith

Administrative Law Judge

RSS/Ls Enclosures cc: Mailing List

#### STATE OFFICE OF ADMINISTRATIVE HEARINGS

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**AGENCY:** 

**Environmental Quality, Texas Commission on (TCEQ)** 

STYLE/CASE:

NORTH SAN SABA WATER SUPPLY CORP

**SOAH DOCKET NUMBER:** 

582-09-0660

REFERRING AGENCY CASE: 2008-1481-UCR

STATE OFFICE OF ADMINISTRATIVE

ADMINISTRATIVE LAW JUDGE

HEARINGS

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REPRESENTATIVE / ADDRESS

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## **SOAH DOCKET NO. 582-09-0660 TCEQ DOCKET NO. 2008-1481-UCR**

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APPLICATION OF NORTH SAN SABA WATER SUPPLY CORPORATION TO CHANGE ITS WATER RATES UNDER CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 11227 IN SAN SABA COUNTY BEFORE THE STATE OFFICE

**OF** 

ADMINISTRATIVE HEARINGS

#### PROPOSAL FOR DECISION

Ratepayers of North San Saba Water Supply Corporation (North San Saba) appeal a water rate increase set by North San Saba's Board of Directors (Board). This appeal is to the Texas Commission on Environmental Quality (TCEQ), under the TCEQ's appellate authority set out in Tex. Water Code § 13.043. Along with the ratepayers, the Executive Director (ED) of the TCEQ and the Office of Public Interest Counsel (OPIC) contend that North San Saba has not met its burden to show that the rates are just and reasonable. The Administrative Law Judge (ALJ) agrees and recommends that the appeal be sustained and refunds ordered.

#### I. PROCEDURAL HISTORY, NOTICE, AND JURISDICTION

The Board adopted the rates being appealed at its meeting on August 5, 2008. These rates had an effective date of August 25, 2008. Ratepayers filed a petition to appeal the rates with TCEQ on September 4, 2008. On September 22, 2008, after determining that at least ten percent of the affected customers had signed the petition, the TCEQ's Utilities Financial Review Team requested this matter be referred to the State Office of Administrative Hearings (SOAH) for a contested case hearing.

A preliminary hearing was held on January 7, 2009, before ALJs William G. Newchurch and Kerrie Qualtrough. North San Saba; the ED; OPIC; and two ratepayers, Susan Rios and Charles C. Terry, were admitted as parties.

Before the hearing on the merits, North San Saba filed a Motion to Abate because the Board adopted new rates on December 8, 2009, and refunded the additional amount collected under the challenged rate. Thus, North San Saba contended that the rate appeal was moot. However, although the Board refunded the additional payments under the rate, it also issued an offset charge for the amount of the refund. Therefore, no money was actually returned to the ratepayers. ALJ Rebecca S. Smith denied the motion to abate.

The hearing on the merits convened on January 6, 2010, before ALJ Smith. Attorney Darrel D. Spinks represented North San Saba. Staff Attorney Kayla Murray represented the ED. Attorney Garrett Arthur represented OPIC. Ms. Rios and Mr. Terry represented themselves. The record closed on January 29, 2010, with the filing of the transcript.

#### II. DISCUSSION

#### A. Evidence

On August 5, 2008, the Board voted to increase its water rates to the following:

a base rate (providing no water) of \$59.75 per month;

\$2.70 per 1,000 gallons for the first 4,000 gallons;

\$3.38 per 1,000 gallons between 4,010 and 8,000 gallons;

\$4.05 per 1,000 gallons between 8,010 and 20,000 gallons; and

\$4.73 per 1,000 gallons for any amount over 20,000 gallons.<sup>1</sup>

#### Previous rates had been

a base rate of \$45.00 per month,

\$2.00 per 1,000 gallons for the first 4,000 gallons;

\$2.50 per 1,000 gallons between 4,010 to 8,000 gallons;

\$3.00 per 1,000 gallons between 8,010 to 20,000 gallons; and

\$3.50 per 1,000 gallons for any amount over 20,000 gallons.<sup>2</sup>

When the Board increased the rates, it had received a notice of rate increase from the City of

<sup>&</sup>lt;sup>1</sup> App. Ex. 1 at 3.

<sup>&</sup>lt;sup>2</sup> App. Ex. 1 at 6.

San Saba (City), from whom North San Saba purchased approximately 57% of its water. The City raised its per-gallon rates by 35%. Joe Dobie and Hunter Hibler, members of the Board at the time of the increase, testified that North San Saba had a net operating loss.<sup>3</sup> They emphasized that "[i]t was obvious from the records that North San Saba could not continue to meet its financial obligations without a rate increase." They continued, "there simply was no way to cut costs enough to bring North San Saba out of deficit," largely because of its aging infrastructure, which causes excessive water loss. They also explained that problems with their water quality — specifically, radium 226 and 228 contamination — required them to purchase water from the City to mix with their own well water.

Mr. Dobie and Mr. Hibler provided identical testimony about how the Board reached its decision to increase the rates and by what amount. They testified that when the Board decided a rate increase was necessary, it considered its net operating loss from August 1, 2007 through July 31, 2008, along with the increase from the City. They testified that the Board calculated the rate by "simply increas[ing] North San Saba's rates the same percentage as the City of San Saba had increased its rates." North San Saba did not perform any additional calculations or studies to determine the new rate amount.

At hearing, North San Saba introduced its 2007 federal income tax return.<sup>10</sup> Mr. Hibler

<sup>&</sup>lt;sup>3</sup> App. Ex. 1 at 9; App. Ex. 2 at 5.

<sup>&</sup>lt;sup>4</sup> App. Ex. 1 at 9; App. Ex. 2 at 5.

<sup>&</sup>lt;sup>5</sup> App. Ex. 1 at 12-13; App. Ex. 2 at 6-7.

<sup>&</sup>lt;sup>6</sup> App. Ex. 1 at 13; App. Ex. 2 at 7.

<sup>&</sup>lt;sup>7</sup> App. Ex. 1 at 7-9; App. Ex. 2 at 4-6.

<sup>&</sup>lt;sup>8</sup> App. Ex. 1 at 12; App. Ex. 2 at 6.

<sup>&</sup>lt;sup>9</sup> The letter the Board sent to its members about the rate increase lists the City increase as the only basis for the new rate: "In recent months, TCEQ has enforced restrictions on our water quality due to the high levels of radium and to meet their rules and regulations, we had to start buying all of our water from the City of San Saba. During this time, the City is doing some restructuring and had to increase our water rates by 35%. In order to provide an adequate supply of water to our Members at a good quality, we also have to increase our rates by 35%." ED-HG-1, attachment 8.

<sup>&</sup>lt;sup>10</sup> App. Ex. 1, attachment 10.

pointed out that the return shows a \$10,513 deficit for the year. North San Saba also introduced income statements for months between August 2007 and August 2008. Some of these statements showed monthly profits; some showed deficits. Overall, they reflected a loss. The statement for July 2008 shows a \$9,514.89 loss. North San Saba also introduced its 2008 income tax return, which showed a deficit of \$3,131.

North San Saba also presented the testimony of its current Vice President, Wayne Blaylock. Mr. Blaylock testified that any rollback or refund would cause financial hardship on North San Saba because its financial situation remains distressed. North San Saba also introduced a 2009 rate study for the limited purpose of showing the financial hardship a rollback would create. 15

Mr. Terry and Ms. Rios also testified. Mr. Terry's testimony emphasized issues with North San Saba's accounting. Additionally, he made the point that the 35% across-the-board increase in rates was not a pass-through because the minimum rate, which does not provide any water, also increased. <sup>16</sup>

The Executive Director presented testimony from two TCEQ employees, Heidi Graham and Sheresia Perryman, both of whom thought the increased rate was unjustified. Ms. Perryman, an Accountant/Auditor, testified that she examined North San Saba's documents and determined its overall cost of service or revenue requirement for a 12-month test period. According to Ms. Perryman, the cost of service is the amount of revenue required to cover all reasonable and necessary

<sup>&</sup>lt;sup>11</sup> App. Ex. 1 at 11.

<sup>&</sup>lt;sup>12</sup> App. Ex. 1, attachment 9.

<sup>&</sup>lt;sup>13</sup> The ALJ does not consider the 2008 returns to be relevant, at least insofar as they show the total deficit for 2008, because this information would not have been available to the Board when it decided to raise the rates in August 2008.

<sup>&</sup>lt;sup>14</sup> App. Ex. 4 at 5-6.

<sup>&</sup>lt;sup>15</sup> App. Ex. 2, attachment 12.

<sup>&</sup>lt;sup>16</sup> Much of Ms. Rios's prefiled testimony was struck from the record because it concerned water quality issues, not the rate increase.

<sup>&</sup>lt;sup>17</sup> ED-SP-1 at 4-6.

expenses incurred by the utility in rendering service to the public.<sup>18</sup> The representative 12-month test period used to calculate the cost of service or revenue requirement is the most recent period for which representative operating data are available.<sup>19</sup> Ms. Perryman used the cash basis methodology,<sup>20</sup> which she testified allowed the following as cost of service expenses: allowable operating and maintenance expenses; depreciation expenses;<sup>21</sup> reasonable and prudently incurred debt service costs; recurring capital improvements, replacements, and extensions that are not debt-financed; and a reasonable cash reserve account up to 10% of annual allowable expenses.<sup>22</sup>

Ms. Perryman testified that she used the test period of August 1, 2007, to July 31, 2008, because it was the most recent 12-month period before the Board voted to increase the rates.<sup>23</sup> Ms. Perryman used the notes to North San Saba's financial statements and 2007 and 2008 federal income tax returns to calculate a cost of service amount of \$153,751.00 and a revenue requirement of \$190,749.00.<sup>24</sup>

To calculate the cost of service, Ms. Perryman took the total operating expenses provided in the notes to North San Saba's financial statements (which matched the amount in the tax returns) for the years ending December 31, 2007, and December 31, 2008, and subtracted the amounts for incentive credits and depreciation. For each year, she took the yearly total for each expense category and divided it by twelve to reach a monthly amount. The 2007 monthly amount was then multiplied by five to reflect the five months in 2007 that are part of the test period. The 2008 monthly amount was multiplied by seven to reflect the seven months in 2008 that are part of the test period. She

<sup>&</sup>lt;sup>18</sup> ED-SP-1 at 4.

<sup>&</sup>lt;sup>19</sup> ED-SP-1 at 4.

<sup>&</sup>lt;sup>20</sup> Ms. Perryman's testimony also referred to this as the "cash needs method."

<sup>&</sup>lt;sup>21</sup> On cross-examination, Ms. Perryman testified that depreciation is not considered for a cost of service study, but that the amount of annual depreciation appears in the cash reserve amount. The cash reserve is part of the total revenue requirement.

<sup>&</sup>lt;sup>22</sup> ED-SP-1 at 5.

<sup>&</sup>lt;sup>23</sup> ED-SP-1 at 6.

<sup>&</sup>lt;sup>24</sup> ED-SP-1 at 6.

<sup>&</sup>lt;sup>25</sup> ED-SP-1 at 6-7.

also testified that the financial statement notes (and tax returns) were prepared by a CPA, something she felt increased their accuracy. <sup>26</sup>

For her calculations, Ms. Perryman did not use invoices, check copies, or income statements because they were incomplete and contained discrepancies.<sup>27</sup> Specifically, Ms. Perryman cited to inconsistencies contained in the repair expense records, particularly related to McKinney Plumbing and Jerilyn McKinney.<sup>28</sup> Ms. McKinney, who testified on rebuttal, is North San Saba's operator. She also runs a plumbing company that contracts with North San Saba to perform repairs on the line. The invoice amount for repairs from McKinney Plumbing was \$91,012.75. The checks paid to Jerilyn McKinney were \$113,341.65. The "repairs and maintenance" and "repair parts" amounts from the income statements are \$112, 997.05. Finally, the Notes to Financial Statements for the two years contain repair amounts that total \$122,003.00.<sup>29</sup>

Ms. Graham, who is a General Engineering Specialist III, analyzed North San Saba's rate by looking at the number of connections at the end of the test year, the water production/billed worksheet from North San Saba, the 2007 and 2008 tax return depreciation schedule, and the \$190,749 revenue requirement that Ms. Perryman calculated.<sup>30</sup> She testified that although depreciation is not always allowed under the cash basis method, she allowed a cash reserve to account for depreciation because the information was available and TCEQ encourages funding of a reasonable cash reserve.<sup>31</sup> She noted that some of the water consumption information North San Saba provided was incomplete, inconsistent, and apparently inaccurate.<sup>32</sup> Based on the number of connections and gallons billed for the test year, she determined that the revenue generated by the new

<sup>&</sup>lt;sup>26</sup> ED-SP-1 at 7.

<sup>&</sup>lt;sup>27</sup> ED-SP-1 at 7.

<sup>&</sup>lt;sup>28</sup> ED-SP-1 at 8.

<sup>&</sup>lt;sup>29</sup> ED-SP-1 at 8.

<sup>&</sup>lt;sup>30</sup> ED-HG-1 at 5-6.

<sup>&</sup>lt;sup>31</sup> ED-HG-2.

<sup>&</sup>lt;sup>32</sup> ED-HG-1 at 6.

rate would exceed the \$190,749 revenue requirement.<sup>33</sup> She calculated that the base rate should be \$43.82 and with a rate of \$2.70 per 1,000 gallons.<sup>34</sup>

Both Ms. Perryman and Ms. Graham testified that they did not believe the rate increase was justified and that they thought that North San Saba should be required to refund the increase.

#### B. Analysis

North San Saba bears the burden of proof in this appeal to show that the rate is just and reasonable.<sup>35</sup> In deciding the appeal, "only the information that was available to the governing body at the time the governing body made its decision and evidence of reasonable expenses incurred by the retail public utility in the appeal proceedings" are to be considered. <sup>36</sup>

North San Saba was not required to conduct a rate study and did not conduct one. According to the testimony, once the Board decided they needed an increase, they calculated the increase by simply using the amount the City increased its rates. While this method makes the calculation easy, it does not provide a solid basis for the increase amount. For one thing, North San Saba did not purchase all its water from the City. Additionally, North San Saba's 35% increase also applied to the base rate, which did not buy North San Saba's ratepayers any water. This undercuts any claim that the increase was mostly an offset.

And although North San Saba showed some evidence of a loss, it did not establish that the loss justifies the amount of the rate increase. The ALJ also notes that Ms. Perryman, Ms. Graham, and Mr. Terry describe inconsistencies in North San Saba's financial records. These inconsistencies cast doubt on North San Saba's arguments that a 35% increase was financially necessary. Moreover, although Mr. Hibler and Mr. Dobie testified that North San Saba could not cut costs enough to

<sup>&</sup>lt;sup>33.</sup> ED-HG-1 at 6-7.

<sup>&</sup>lt;sup>34</sup> ED HG 1 at 7.

<sup>&</sup>lt;sup>35</sup> Tex. Admin. Code § 291.12.

<sup>&</sup>lt;sup>36</sup> TEX. WATER CODE § 13.043(e).

eliminate the need for an increase, there was no evidence about whether any costs could be cut to reduce the size of the increase.

The ALJ has some concern that the ED's witnesses' testimony does not account for the undisputed increase in the cost of water from the City, but this concern does not change the fact that it was still North San Saba's burden to show that the increased rates were just and reasonable. North San Saba has not met this burden. This is not to say that North San Saba needed a formal rate study. It did, however, need to provide more information to support a 35% rate increase.

For its part, North San Saba argues that this appeal is suspect because some of the Board members think that Mr. Terry and Ms. Rios are pursuing other agendas or that they have personal disagreements with the Board. Any personal disagreements or possible other agendas are irrelevant, however. Mr. Terry and Ms. Rios were entitled to appeal the rates, and there were sufficient signatures from other ratepayers to invoke the TCEQ's jurisdiction. Even if Mr. Terry had personal disagreements with some of the previous members of the Board, those disagreements would not relieve North San Saba of its burden to show that the rate it adopted is just and reasonable.

#### C. Refund

The TCEQ may order refunds to ratepayers under Tex. WATER CODE § 13.043(e), and both of the ED's witnesses testified that refunds are appropriate in this case. The ALJ agrees that because North San Saba did not show that the rate increases were just and reasonable, it should not keep the amount of the increased revenues. The ALJ understands Mr. Blaylock's great concern about North San Saba's ability to refund the money and stay financially solvent. Nevertheless, the ALJ believes that the refund (which should take the form of a credit on customer bills) should be spread over a period equal to that when the collections occurred.

<sup>&</sup>lt;sup>37</sup> The ALJ also understands that North San Saba, as reflected in its motion arguing that this matter is moot, believes it already refunded the money. A refund with an offset equal to the refunded amount is not a refund.

#### D. Expenses

North San Saba asked that Mr. Terry and Ms. Rios be ordered to reimburse it for its reasonable expenses under Tex. Water Code § 13.043(e). North San Saba has not cited to any provision that permits reasonable expenses to be assessed against individual ratepayers, as opposed to spread out among all the ratepayers. Moreover, since North San Saba has not prevailed in this appeal, awarding costs is not warranted.

#### III. CONCLUSION

North San Saba has not met its burden to show that its increased rates are just and reasonable. Therefore, the ratepayers' appeal should be sustained and North San Saba's previous rates should be reinstated for the period between August 25, 2008, and December 8, 2009, and a refund spread over a length of time equal to that when the increased rates were collected should be ordered. This conclusion does not affect the rates adopted in December 2009.

SIGNED March 25, 2010.

REBECCA S. SMITH

ADMINISTRATIVE LAW JUDGE

STATE OFFICE OF ADMINISTRATIVE HEARINGS

#### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



#### AN ORDER

# GRANTING THE RATEPAYERS' APPEAL OF THE RETAIL WATER RATES OF NORTH SAN SABA WATER SUPPLY CORPORATION SOAH DOCKET NO. 582-09-0660 TCEO DOCKET NO. 2008-1481-UCR

On	, the	Texas Comm	nission on	Environmental	Quality
(TCEQ or Commission	on) considered the Ratep	oayers' appeal	of the water	r rate increase	of North
San Saba Water Supp	ly Corporation. A Propo	sal for Decision	on (PFD) wa	as presented by	Rebecca
S. Smith, an Adminis	trative Law Judge (ALJ)	with the State	e Office of A	Administrative l	Hearings
(SOAH).					

After considering the ALJ's PFD, the Commission adopts the following Findings of Fact and Conclusions of Law:

#### I. FINDINGS OF FACT

- 1. North San Saba Water Supply Corporation (North San Saba) is a non-profit water supply corporation that supplies water to individuals in northern San Saba County, Texas.
- 2. On August 5, 2008, the Board of Directors of North San Saba adopted new water rates.

  These rates were effective August 25, 2008.
- 3. The rates adopted on August 5, 2008, consisted of a \$59.75 per month base monthly fee that includes no water and the following rate tiers:

\$2.70 per 1,000 gallons for the first 4,000 gallons;

- \$3.38 per 1,000 gallons between 4,010 and 8,000 gallons; \$4.05 per 1,000 gallons between 8,010 and 20,000 gallons; and \$4.73 per 1,000 gallons for any amount over 20,000 gallons.
- 4. On September 4, 2008, ratepayers of North San Saba filed a petition with the Commission appealing the rates under Section 13.043 of the Texas Water Code. The petition was signed by more than ten percent of the ratepayers whose rates had been changed and who were eligible to appeal.
- 5. The Commission referred the appeal to SOAH for a contested case hearing.
- 6. On January 7, 2009, SOAH ALJs conducted a preliminary hearing regarding the petition filed by the ratepayers. At the hearing, the following persons were granted party status:

  North San Saba, the Executive Director of the Commission, the Office of Public Interest Counsel, Susan Rios, and Charles C. Terry.
- 7. North San Saba mailed notice of the preliminary hearing to each of its customers not less than ten days before the preliminary hearing.
- 8. The evidentiary hearing convened on January 6, 2010, before ALJ Rebecca S. Smith at SOAH, William P. Clements Building, Fourth Floor, 300 West 15th Street, Austin, Texas. Attorney Darrel D. Spinks represented North San Saba. Staff Attorney Kayla Murray represented the ED. Attorney Garrett Arthur represented OPIC. Ms. Rios and Mr. Terry represented themselves. The record closed with the filing of the transcript on January 29, 2010.
- 9. The Board voted to raise North San Saba's rates by 35%, the amount by which the City of San Saba increased its water rates. At the time, North San Saba purchased approximately 57% of its water from the City of San Saba.

- 10. North San Saba's 35% rate increase applied to all the tiers, including the base rate, which did not provide any water.
- 11. The Board did not conduct a rate study before adopting the rates.
- 12. North San Saba provided insufficient evidence of its cost of service to support its rate increase.
- 13. North San Saba did not convincingly establish that the amount of the rate increase was necessary for it to maintain its financial integrity.
- 14. It is not reasonable to allow North San Saba to recover its rate case expenses from Mr.Terry and Ms. Rios.

#### II. CONCLUSIONS OF LAW

- 1. Tex. Water Code Ann. § 13.043 authorizes an appeal by the lesser of 10, 000 customers or 10% of those ratepayers whose rates have been changed by a water supply corporation.
- 2. The Commission's jurisdiction to review the rates adopted by North San Saba Water Supply Corporation on August 5, 2008 was properly invoked under Tex. WATER CODE ANN. § 13.043.
- 3. North San Saba Water Supply Corporation did not establish by a preponderance of the evidence that the rates it adopted on August 5, 2008, are just and reasonable.
- 4. North San Saba should refund to its customers the additional amount of revenue it recovered as a result of the rate increase.
- 5. The rates adopted by the Board on December 8, 2009, are not affected by this Order.
- 6. The award of rate case expenses is not appropriate.

#### III. ORDERING PROVISIONS

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON

## ENVIRONMENTAL QUALITY, IN ACCORDANCE WITH THESE FINDINGS OF FACT AND CONCLUSIONS OF LAW, THAT:

- The Ratepayers' Appeal of the Retail Water Rate Increase of North San Saba Water Supply Corporation is sustained.
- 2. North San Saba's rates for the period from August 25, 2008, to December 8, 2009, are reinstated as follows:
  - a base rate of \$45.00 per month,
  - \$2.00 per 1,000 gallons for the first 4,000 gallons;
  - \$2.50 per 1,000 gallons between 4,010 to 8,000 gallons;
  - \$3.00 per 1,000 gallons between 8,010 to 20,000 gallons; and
  - \$3.50 per 1,000 gallons for any amount over 20,000 gallons.
- 3. North San Saba shall refund its ratepayers the amount it collected as a result of the increased rates over a period of time equal to that when the collections occurred.
- 4. The refund shall be made as a monthly credit to customer bills beginning the monthly cycle following the effective date of this Order.
- 5. The effective date of this Order is the date the Order is final, as provided by Tex. Gov'T CODE ANN. § 2001.144 and 30 Tex. ADMIN. CODE § 80.273.
- 6. All other motions, requests for entry of specific Findings of Fact or Conclusions of Law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.
- 7. The Chief Clerk of the Commission shall forward a copy of this Order to all parties.
- 8. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any provision shall not affect the validity of the remaining portions of this Order.

#### **ISSUED:**

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Bryan W. Shaw, Ph.D., Chairman For the Commission

### SOAH Docket No. 582-09-0660 TCEQ Docket No. 2008-1481-UCR

I hereby affirm that the exhibits referenced on the attached exhibit list identify all the exhibits admitted at the hearing on the merits in this proceeding. Any exhibits not admitted but included in an offer of proof are also listed and identified as such.

The following jurisdictional exhibits were introduced at the preliminary hearing in this proceeding.

EXH NO.	DESCRIPTION	OBJ Y/N	ADM Y/N	REMARKS
	Executiv	e Director's	Exhibits	
A	Petition to Appeal Rates	N	Y	
В	Chief Clerk's Notice	N	Y	
С .	Affidavit of Notice	. N	Y	

The referenced exhibits are being placed under seal and returned to the referring agency in the condition in which they were received into evidence.

ADMINISTRATIVE LAW JUDGE

Date Signed: March 25, 2010.

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